

California Public Utilities Commission

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News Release

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PUC APPROVES SDG&E'S OTAY MESA TRANSMISSION PROJECT

SAN FRANCISCO, June 30, 2005 - The California Public Utilities Commission (PUC), in its ongoing efforts to ensure reliable and adequate electricity resources, today approved the construction of San Diego Gas and Electric Company's (SDG&E) Otay Mesa Transmission Project and certified the project's final Environmental Impact Report.

The project consists of the construction of two new 230-kilovolt electric transmission circuits to connect SDG&E's Miguel Substation with both the Sycamore Canyon Substation and the Old Town Substation in San Diego County. The combined route length for both circuits is approximately 52 miles.

"With the approval of this project, we are taking another step to ensure reliable transmission of electricity in Southern California," said Commission President Michael R. Peevey. "This project will reduce transmission congestion in the area and provide for expansion capability for electricity load growth."

The Commission approved a cost cap of \$209 million for the project, with a contingency amount of 5 percent.

The project includes an agreement between the city of Chula Vista and SDG&E to underground a portion of the facilities to help with development efforts there.

The Commission expects that the timeframe for construction and completion of the project will be closely coordinated with the construction of the Otay Mesa Power Plant, which is being constructed by Calpine Corporation under contract with SDG&E.

For more information on the PUC, please visit www.cpuc.ca.gov.

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